

OGC Has Reviewed

Executive for A&E

4 October 1948

General Counsel

SIB Travel

1. In establishing the SIB program, IAS submitted a request for approval by the PNC of a budget to cover the operating expenses for the fiscal year 1949. They requested that all field travel be paid from unvouchered funds for reasons of security and estimated the amount necessary to cover such travel at \$90,000 of unvouchered funds for the fiscal year 1949, based on an estimate of \$50.00 per case. This item of unvouchered travel was discussed by the Committee in some detail, and the subject of the automobiles to be used was particularly stressed.

2. Some accountings have been submitted which include expenditures for the purchase of gasoline and for the cost of emergency repairs. The question has arisen whether these items are properly chargeable to the travel allocation or should be paid out of the contingency funds provided for SIB.

3. A review of Project 00-33, which establishes both the travel and the contingency funds, indicates that it did not consider specifically providing for such expenditures as those mentioned above, but it is apparent that the approval of funds for travel was intended both by IAS and the Committee to cover all expenses incident to travel, even though emergency repairs and fuel were not specifically mentioned. It is our opinion, therefore, that all such expenditures made heretofore are properly chargeable to the allocation of \$90,000 of unvouchered funds if they are necessary and proper in amount and incidental to the travel performed.

4. Since the security ruling based on concealment of the governmental connection has prevented the use of tax exemption certificates, the charges for gasoline and oil and other incidental expenses relative to field travel of the motor vehicles would be properly chargeable to the travel allocation.

5. Raising the question, however, has brought up further discussion of the procedures to be followed, and there appears to be agreement on the following. In many major cities, the Bureau of Federal Supply has contracts for maintenance, repair, and servicing of all federal cars in the area. CIA cars should be taken care of under such contracts and the Bureau reimbursed by us. This would take care of servicing and repairs at most of the headquarters and,

on travel, for major repairs. The reimbursement involved would, of course, be a vouchered transaction as part of the administrative costs of the station. Furthermore, it has been determined that credit cards would not violate the security aspect, and, consequently, all purchases of gas and oil and minor emergency repairs can be made through credit cards, which will be issued to all drivers. This, again, will be paid on a vouchered basis, but it is believed that, purely from a budget point of view, it would be proper to charge these expenses against the \$90,000 travel allocation, inasmuch as the Committee contemplated such expenses in approving that item. Incidentally, it is understood that all cars will be registered with Government plates, and there will be no charges for state registration or insurance.

6. It is felt that, in rare instances, there may be fuel procurement or emergency repair costs arising in circumstances where for security reasons the Government connection should not be made known. If it is determined, therefore, that credit cards should not be used, the agent concerned should pay the bill and submit a request for reimbursement out of unvouchered funds on his travel voucher, with full explanation. It should be made clear, however, to all agents that the burden of proof will be on them to establish necessity for such security measures. Where such unvouchered expenditures arise, the original approval of the PRC appears to be sufficient to permit charging these items to the \$90,000 unvouchered travel allocation.

7. In view of the new arrangements for procurement of fuel and services by Government credit cards, perhaps consideration should be given to the payment of other travel expenses involved, including per diems from vouchered rather than unvouchered funds. This would limit the authorizations for use of unvouchered funds in Administration and Management Operating Procedure No. 2 of 1 July to the rare repair and procurement situation involving unusual security aspects outlined in paragraph 6 above, communication charges through other than headquarters facilities, and the miscellaneous emergency purchases where no Bureau of Federal Supply service is available.

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